

# PART 16

## TYPES OF CONTRACTS

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### 16.103 Negotiating contract type.

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#### *FAR as of FAC 90-25*

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(d) Each contract file shall include documentation to show why the particular contract type was selected. Exceptions to this requirement are (1) ~~small purchases under Part 13~~, (2) contracts on a firm fixed-price basis other than those for major systems or research and development, and (3) awards on the set-aside portion of sealed bid partial set-asides for small business ~~or labor surplus area concerns~~.

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#### *FAR as revised*

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(d) Each contract file shall include documentation to show why the particular contract type was selected. Exceptions to this requirement are (1) **acquisitions made under simplified acquisition procedures in Part 13, unless otherwise required under agency procedures**, (2) contracts on a firm fixed-price basis other than those for major systems or research and development, and (3) awards on the set-aside portion of sealed bid partial set-asides for small business. [FACs 90-29 & 32]

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### 16.105 Negotiating contract type.

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#### *FAR as of FAC 90-25*

The contracting officer shall complete and insert the provision at 52.216-1, Type of Contract, in requests for proposals and in requests for quotations unless the solicitation is for (a) a ~~small purchase~~ (see Part 13) or (b) information or planning purposes (see ~~15.405~~).

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#### *FAR as revised*

The contracting officer shall complete and insert the provision at 52.216-1, Type of Contract, in a solicitation **unless it** is for (a) a **fixed-price acquisition made under simplified acquisition procedures** (see Part 13); or (b) Information or planning purposes. [FAC 90-29]

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### 16.201 General.

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#### *FAR as of FAC 90-25*

Fixed-price types of contracts provide for a firm price or, in appropriate cases, an adjustable price. Fixed-price contracts providing for an adjustable price may include a ceiling price, a target price (including target cost), or both. Unless otherwise specified in the contract, the ceiling price or target price is subject to adjustment only by operation of contract clauses providing for equitable adjustment or other revision of the contract price under stated circumstances.

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#### *FAR as revised*

Fixed-price types of contracts provide for a firm price or, in appropriate cases, an adjustable price. Fixed-price contracts providing for an adjustable price may include a ceiling price, a target price (including target cost), or both. Unless otherwise specified in the contract, the ceiling price or target price is subject to adjustment only by operation of contract clauses providing for equitable adjustment or other revision of the contract price under stated circumstances. **The contracting officer shall use firm-fixed-price or fixed-price with economic price adjustment contracts when acquiring commercial items.** [FAC 90-32]

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**16.202-2 Application.**

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*FAR as of FAC 90-25*

A firm-fixed-price contract is suitable for acquiring commercial ~~products or commercial-type products (see 11.001)~~ or for acquiring other supplies or services on the basis of reasonably definite functional or detailed specifications ~~(see 10.001)~~ when the contracting officer can establish fair and reasonable prices at the outset, such as when—

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*FAR as revised*

A firm-fixed-price contract is suitable for acquiring commercial **items (see Parts 2 and 12)** or for acquiring other supplies or services on the basis of reasonably definite functional or detailed specifications **(see Part 11)** when the contracting officer can establish fair and reasonable prices at the outset, such as when— [FAC 90-32]

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**16.203-4 Contract clauses.**

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*FAR as of FAC 90-25*

(a) *Adjustment based on established prices—standard supplies.* (1) The contracting officer shall, when contracting by negotiation, insert the clause at 52.216-2, Economic Price Adjustment—Standard Supplies, or an agency-prescribed clause as authorized in subparagraph (2) below, in solicitations and contracts when all of the following conditions apply:

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(ii) The requirement is for standard supplies that have an established catalog or market price, verified using the criteria in 15.804-3.

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(b) *Adjustment based on established prices—semistandard supplies.* (1) The contracting officer shall, when contracting by negotiation, insert the clause at 52.216-3, Economic Price Adjustment—Semistandard Supplies, or an agency-prescribed clause as authorized in subparagraph (2) below, in solicitations and contracts when all of the following conditions apply:

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(ii) The requirement is for semistandard supplies for which the prices can be reasonably related to the prices of nearly equivalent standard supplies that have an established catalog or market price, verified using the criteria in 15.804-3.

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*FAR as revised*

(a) *Adjustment based on established prices—standard supplies.* (1) The contracting officer shall, when contracting by negotiation, insert the clause at 52.216-2, Economic Price Adjustment—Standard Supplies, or an agency-prescribed clause as authorized in subparagraph (2) below, in solicitations and contracts when all of the following conditions apply:

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(ii) The requirement is for standard supplies that have an established catalog or market price, verified using the criteria in 15.804-**1**. [FAC 90-32]

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(b) *Adjustment based on established prices—semistandard supplies.* (1) The contracting officer shall, when contracting by negotiation, insert the clause at 52.216-3, Economic Price Adjustment—Semistandard Supplies, or an agency-prescribed clause as authorized in subparagraph (2) below, in solicitations and contracts when all of the following conditions apply:

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(ii) The requirement is for semistandard supplies for which the prices can be reasonably related to the prices of nearly equivalent standard supplies that have an established catalog or market price, verified using the criteria in 15.804-**1**. [FAC 90-32]

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**16.301-3 Limitations.**

<i>FAR as of FAC 90-25</i>	<i>FAR as revised</i>
<p>A cost-reimbursement contract may be used only when—</p> <p class="list-item-l1">(a) The contractor's accounting system is adequate for determining costs applicable to the contract; and</p> <p class="list-item-l1">(b) Appropriate Government surveillance during performance will provide reasonable assurance that efficient methods and effective cost controls are used.</p> <p class="list-item-l1">(c) See 15.903(d) for statutory limitations on price or fee. [FAC 90-24]</p>	<p><b>(a)</b> A cost-reimbursement contract may be used only when—</p> <p class="list-item-l1"><b>(1)</b> The contractor's accounting system is adequate for determining costs applicable to the contract; and</p> <p class="list-item-l1"><b>(2)</b> Appropriate Government surveillance during performance will provide reasonable assurance that efficient methods and effective cost controls are used.</p> <p class="list-item-l1"><b>(3)</b> See 15.903(d) for statutory limitations on price or fee. [FAC 90-32]</p> <p><b>(b) The use of cost-reimbursement contracts is prohibited for the acquisition of commercial items (see Parts 2 and 12).</b> [FAC 90-32]</p>

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**16.306 Cost-plus-fixed-fee contracts.**

<i>FAR as of FAC 90-25</i>	<i>FAR as revised</i>
<p>*****</p> <p>(c) <i>Limitations.</i> No cost-plus-fixed-fee contract shall be awarded unless—</p> <p class="list-item-l1">(1) All limitations in 16.301-3 are complied with; and</p> <p class="list-item-l1">(2) The agency head or designee has signed a determination and findings establishing the basis for application of the statutory price or fee limitation (see 15.903(d)).</p>	<p>*****</p> <p>(c) <i>Limitations.</i> No cost-plus-fixed-fee contract shall be awarded unless—</p> <p class="list-item-l1">(1) All limitations in 16.301-3 are complied with; and</p> <p class="list-item-l1">(2) <b>The contracting officer</b> has signed a determination and findings establishing the basis for application of the statutory price or fee limitation (see 15.903(d)). [FAC 90-30]</p>

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**16.500 Scope of subpart. [FAC 90-33]**

This subpart prescribes policies and procedures for making awards of indefinite delivery contracts and establishes a preference scheme for making multiple awards of delivery order contracts and task order contracts. This subpart does not limit the use of other than competitive procedures authorized by Part 6. Nothing in this subpart shall be construed to limit, impair, or restrict the authority of the General Services Administration (GSA) to enter into schedule, multiple award, or task or delivery order contracts under any other provision of law. Therefore, GSA regulations and the coverage in subpart 8.4, Part 38, or Part 39 for the Federal Supply Schedule program (including contracts for Federal Information Processing resources), take precedence over this subpart. This subpart may be used to acquire (1) architect-engineer services provided the selection of contractors and placement of orders is consistent with Subpart 36.6, and (2) Federal Information Processing resource requirements that are not satisfied under the Federal Supply Schedule Program, provided the selection of contractors and placement of orders is consistent with Part 39.

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**16.501-1 Definitions.** [FAC 90-33]

As used in this subpart—

"Advisory and assistance services" has the same meaning as set forth in 37.201.

"Delivery order contract" means a contract for supplies that does not procure or specify a firm quantity of supplies (other than a minimum or maximum quantity) and that provides for the issuance of orders for the delivery of supplies during the period of the contract.

"Task order contract" means a contract for services that does not procure or specify a firm quantity of services (other than a minimum or maximum quantity) and that provides for the issuance of orders for the performance of tasks during the period of the contract.

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**16.501-2 General.** [FAC 90-33]

**~~16.501—General.~~**

<i>FAR as of FAC 90-25</i>	<i>FAR as revised</i>
<p>(a) There are three types of indefinite-delivery contracts—definite-quantity contracts, requirements contracts, and indefinite-quantity contracts. The appropriate type of indefinite-delivery contract may be used when the exact times and/or quantities of future deliveries are not known at the time of contract award.</p> <p>* * * * *</p>	<p>(a) There are three types of indefinite-delivery contracts—definite-quantity contracts, requirements contracts, and indefinite-quantity contracts. The appropriate type of indefinite-delivery contract may be used <b>to acquire supplies and/or services</b> when the exact times and/or exact quantities of future deliveries are not known at the time of contract award. <b>Pursuant to 10 U.S.C. 2304d and section 303K of the Federal Property and Administrative Services Act of 1949, requirements contracts and indefinite-quantity contracts are also known as delivery order contracts or task order contracts.</b> [FAC 90-33]</p> <p>* * * * *</p>
<p>(c) Indefinite-delivery contracts may provide for firm fixed prices (see 16.202), fixed prices with economic price adjustment (see 16.203), fixed prices with prospective redetermination (see 16.205), or prices based on catalog or market prices (see 15.804-3(e)). When prices are based on catalog or market prices, the price to be paid may be determined by establishing an adjustment factor and applying it to the price in industrywide pricing guides or manufacturers' price catalogs. Normally, the adjustment factor will be a fixed percentage discount to be applied to the price in effect on the date of each order. When fast payment procedures are included in indefinite-delivery contracts, the contracting officer shall include in the contract the special data required by 13.303(b).</p>	<p>(c) Indefinite-delivery contracts may provide for <b>any appropriate cost or pricing arrangement under Part 16. Cost or pricing arrangements that provide for an estimated quantity of supplies or services (e.g., estimated number of labor hours) must comply with the appropriate procedures of this subpart.</b> [FAC 90-33]</p>

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**16.502 Definite-quantity contracts.**

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*FAR as of FAC 90-25*

(a) *Description.* A definite-quantity contract provides for delivery of a definite quantity of specific supplies or services for a fixed period, with deliveries to be scheduled at designated locations upon order.

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*FAR as revised*

(a) *Description.* A definite-quantity contract provides for delivery of a definite quantity of specific supplies or services for a fixed period, with deliveries **or performance** to be scheduled at designated locations upon order. [FAC 90-33]

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**16.503 Requirements contracts.**

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*FAR as of FAC 90-25*

(a) *Description.* A requirements contract provides for filling all actual purchase requirements of designated Government activities for ~~specific~~ supplies or services during a specified contract period, with deliveries to be scheduled by placing orders with the contractor.

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(2) The contract shall state, if feasible, the maximum limit of the contractor's obligation to deliver and the Government's obligation to order. The contract may also specify maximum or minimum quantities that the Government may order under each individual order and the maximum that it may order during a specified period of time.

(b) *Application.* A requirements contract may be appropriate for acquiring any ~~items~~ or services when the Government anticipates recurring requirements but cannot predetermine the precise quantities of supplies or services that designated Government activities will need during a definite period. ~~Funds are obligated by each delivery order, not by the contract itself.~~

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*FAR as revised*

(a) *Description.* A requirements contract provides for filling all actual purchase requirements of designated Government activities for supplies or services during a specified contract period, with deliveries **or performance** to be scheduled by placing orders with the contractor. [FAC 90-33]

\* \* \* \* \*

(2) The contract shall state, if feasible, the maximum limit of the contractor's obligation to deliver and the Government's obligation to order. The contract may also specify maximum or minimum quantities that the Government may order under each individual order and the maximum that it may order during a specified period of time.

(b) *Application.* A requirements contract may be appropriate for acquiring any **supplies** or services when the Government anticipates recurring requirements but cannot predetermine the precise quantities of supplies or services that designated Government activities will need during a definite period. [FAC 90-33]

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**(d) Limitations on use of requirements contracts for advisory and assistance services.**

**(1) Except as provided in paragraph (d)(2) of this section, no solicitation for a requirements contract for advisory and assistance services in excess of three years and \$10,000,000 (including all options) may be issued unless the contracting officer or other official designated by the head of the agency determines in writing that the services required are so unique or highly specialized that it is not practicable to make multiple awards using the procedures in 16.504.**

**(2) The limitation in paragraph (d)(2) of this section is not applicable to an acquisition of supplies or services that includes the acquisition of advisory and assistance services if the contracting officer or other official designated by the head of the agency determines that the advisory and assistance services are necessarily incident to, and not a significant component of, the contract.**

[FAC 90-33]

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**16.504 Indefinite-quantity contracts.**

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*FAR as of FAC 90-25*

(a) *Description.* An indefinite-quantity contract provides for an indefinite quantity, within stated limits, of ~~specific~~ supplies or services to be furnished during a fixed period, with deliveries to be scheduled by placing orders with the contractor.

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(3) The contract may also specify maximum or minimum quantities that the Government may order under each delivery order and the maximum that it may order during a specific period of time.

*FAR as revised*

(a) *Description.* An indefinite-quantity contract provides for an indefinite quantity, within stated limits, of supplies or services to be furnished during a fixed period, with deliveries **or performance** to be scheduled by placing orders with the contractor. [FAC 90-33]

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(3) The contract may also specify maximum or minimum quantities that the Government may order under each **task or** delivery order and the maximum that it may order during a specific period of time.

**(4) In addition to other required provisions and clauses, a solicitation and contract for an indefinite-quantity shall—**

**(i) Specify the period of the contract including the number of options and the period for which the contract may be extended under each option, if any;**

**(ii) Specify the total minimum and maximum quantity or dollar value of supplies or services to be acquired under the contract;**

**(iii) Include a statement of work, specifications, or other description, that reasonably describes the general scope, nature, complexity, and purpose of the supplies or services to be acquired under the contract in a manner that will enable a prospective offeror to decide whether to submit an offer;**

**(iv) State the procedures that will be used in issuing orders and, if multiple awards may be made, state the procedures and selection criteria that will be used to provide awardees a fair opportunity to be considered for each order (see 16.505(b)(1));**

**(v) If multiple awards may be made, include the provision at 52.216-27, Single or Multiple Awards, to notify offerors that more than one contract may be awarded; and**

**(vi) If an award of a task order contract for advisory and assistance services in excess of three years and \$10,000,000 (including all options) is anticipated, include the provision at 52.216-28, Multiple Awards for Advisory and Assistance Services, unless a determination to make a single award is made under paragraph**

**(c)(2)(i)(A) of this section. [FAC 90-33]**

(b) *Application.* An indefinite-quantity contract may be used when the Government cannot predetermine, above a specified minimum, the precise quantities of supplies or services that will be required during the contract period, and it is inadvisable for the Government to commit itself for more than a minimum quantity. An indefinite-quantity contract should be used only when a recurring need is anticipated. ~~Funds for other than the stated minimum quantity are obligated by each delivery order, not by the contract itself.~~

(b) *Application.* An indefinite-quantity contract may be used when the Government cannot predetermine, above a specified minimum, the precise quantities of supplies or services that will be required during the contract period, and it is inadvisable for the Government to commit itself for more than a minimum quantity. An indefinite-quantity contract should be used only when a recurring need is anticipated. [FAC 90-33]

(c) *Multiple award preference.* (1) *General preference.* Except for indefinite-quantity contracts for advisory and assistance services as provided in paragraph (c)(2) of this section, the contracting officer shall, to the maximum extent practicable, give preference to making multiple awards of indefinite-quantity contracts under a single solicitation for the same or similar supplies or services to two or more sources. In making a determination as to whether multiple awards are appropriate, the contracting officer shall exercise sound business judgment as part of acquisition planning. No separate written determination to make a single award is necessary when the determination is contained in a written acquisition plan. Multiple awards should not be made if—

(i) Only one contractor is capable of providing performance at the level of quality required because the supplies or services are unique or highly specialized;

(ii) Based on the contracting officer's knowledge of the market, more favorable terms and conditions, including pricing, will be provided if a single award is made;

(iii) The cost of administration of multiple contracts may outweigh any potential benefits from making multiple awards;

(iv) Tasks likely to be ordered are so integrally related that only a single contractor can reasonably perform the work;

(v) The total estimated value of the contract is less than the simplified acquisition threshold in Part 13; or

(vi) The contracting officer determines that multiple awards would not be in the best interests of the Government.

(2) *Contracts for advisory and assistance services.* (i) Except as provided in paragraph (c)(2)(ii) of this section, if an indefinite quantity contract for advisory and assistance services will not exceed three years and \$10,000,000, including all options, a contracting officer may, but is not required to, give preference to making multiple awards. If an indefinite quantity contract for advisory and assistance services exceeds three years and \$10,000,000, including all options, multiple awards shall be made unless—

(A) The contracting officer or other official designated by the head of the agency determines in writing, prior to the issuance of the solicitation, that the services required under the task order contract are so unique or highly specialized that it is not practicable to award more than one contract. This determination may also be appropriate when the tasks likely to be issued are so integrally related that only a single contractor can reasonably perform the work;

(B) The contracting officer or other official designated by the head of the agency determines in writing, after the evaluation of offers, that only one offeror is capable of providing the services required at the level of quality required; or

(C) Only one offer is received.

(ii) The requirements of paragraph (c)(2)(i) of this section are not applicable to an acquisition of supplies or services that includes the acquisition of advisory and assistance services if the contracting officer or other official designated by the head of the agency determines that the advisory and assistance services are necessarily incident to, and not a significant component of, the contract. [FAC 90-33]

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**16.505 Ordering.** [FAC 90-33]

**~~16.506 Ordering.~~**

<i>FAR as of FAC 90-25</i>	<i>FAR as revised</i>
	<p><b>(a) General. (1) When placing orders under this subpart, a separate notice under 5.201 is not required.</b></p> <p><b>(2) The contracting officer or duly appointed ordering officer shall ensure that individual orders clearly describe all services to be performed or supplies to be delivered. Such officer shall also ensure that orders are within the scope, period, and maximum value of the contract.</b></p>
<p>(a) The contracting officer shall include in the Schedule of indefinite-delivery contracts the names of the activity or activities authorized to issue orders under indefinite-delivery contracts.</p>	<p>(3) The contracting officer shall include in the <b>contract</b> Schedule the names of the activity or activities authorized to issue orders.</p>
<p>(b) If appropriate, authorization for placing oral orders may be included in the contract Schedule; <i>provided</i>, that procedures have been established for obligating funds and that oral orders are confirmed in writing.</p>	<p>(4) If appropriate, authorization for placing oral orders may be included in the contract Schedule; <i>provided</i>, that procedures have been established for obligating funds and that oral orders are confirmed in writing.</p>
<p>(c) Orders may be placed by <del>written telecommunication</del>, if provided for in the contract Schedule.</p>	<p><b>(5) Orders may be placed by facsimile or by electronic commerce methods</b>, if provided for in the contract.</p>
<p>(d) Orders placed under indefinite-delivery contracts shall contain the following information:</p> <ul style="list-style-type: none"><li>(1) Date of order.</li><li>(2) Contract number and order number.</li><li>(3) Item number and description, quantity, and unit price.</li><li>(4) Delivery or performance date.</li><li>(5) Place of delivery or performance (including consignee).</li><li>(6) Packaging, packing, and shipping instructions, if any.</li><li>(7) Accounting and appropriation data.</li><li>(8) Any other pertinent information.</li></ul>	<p>(6) Orders placed under indefinite-delivery contracts shall contain the following information:</p> <ul style="list-style-type: none"><li><b>(i) Date of order.</b></li><li><b>(ii) Contract number and order number.</b></li><li><b>(iii) Item number and description, quantity, and unit price or estimated cost or fee.</b></li><li><b>(iv) Delivery or performance date.</b></li><li><b>(v) Place of delivery or performance (including consignee).</b></li><li><b>(vi) Packaging, packing, and shipping instructions, if any.</b></li><li><b>(vii) Accounting and appropriation data.</b></li><li><b>(viii) Any other pertinent information.</b></li></ul>
	<p><b>(7) No protest under Subpart 33.1 is authorized in connection with the issuance or proposed issuance of an order under a task order contract or delivery order contract except for a protest on the grounds that the order increases the scope, period, or maximum value of the contract.</b></p>



**(b) Orders under multiple award contracts.** (1) Except as provided for in paragraph (b)(2) of this section, for orders issued under multiple delivery order contracts or multiple task order contracts, each awardee shall be provided a fair opportunity to be considered for each order in excess of \$2,500. In determining the procedures for providing awardees a fair opportunity to be considered for each order, contracting officers shall exercise broad discretion and may consider factors such as past performance, quality of deliverables, cost control, price, cost, or other factors that the contracting officer, in the exercise of sound business judgment, believes are relevant to the placement of orders. The procedures and selection criteria that will be used to provide multiple awardees a fair opportunity to be considered for each order must be set forth in the solicitation and contract. The procedures for selecting awardees for the placement of particular orders need not comply with the competition requirements of Part 6. However, agencies shall not use any method (such as allocation) that would not result in fair consideration being given to all awardees prior to placing each order. Formal evaluation plans or scoring of quotes or offers are not required. Agencies may use oral proposals and streamlined procedures when selecting an order awardee. In addition, the contracting officer need not contact each of the multiple awardees under the contract before selecting an order awardee if the contracting officer has information available to ensure that each awardee is provided a fair opportunity to be considered for each order.

(2) Awardees need not be given an opportunity to be considered for a particular order in excess of \$2,500 under multiple delivery order contracts or multiple task order contracts if the contracting officer determines that—

(i) The agency need for such supplies or services is of such urgency that providing such opportunity would result in unacceptable delays;

(ii) Only one such contractor is capable of providing such supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized;

(iii) The order should be issued on a sole-source basis in the interest of economy and efficiency as a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order; or

(iv) It is necessary to place an order to satisfy a minimum guarantee.

(3) The “competing independently” requirement of 15.804-1(b)(1) is satisfied for orders placed under multiple delivery order contracts or multiple task order contracts when—

(i) The price for the supplies or services is established in the contract at the time of contract award; or

(ii) The contracting officer solicits offers from two or more awardees for order placement when the price for the supplies or services is not established in the contract at the time of contract award.

(4) The head of the agency shall designate a task order contract and delivery order contract ombudsman who shall be responsible for reviewing complaints from contractors on task order contracts and delivery order contracts. The ombudsman shall review complaints from the contractors and ensure that all contractors are afforded a fair opportunity to be considered, consistent with the procedures in the contract. The ombudsman shall be a senior agency official who is independent of the contracting officer and may be the agency's competition advocate.

**(c) Limitation on ordering period for task order contracts for advisory and assistance services.** (1) Except as provided for in paragraph (c)(2) of this section, the ordering period of a task order contract for advisory and assistance services, including all options or modifications, may not exceed five years, unless a longer period is specifically authorized by a statute that is applicable to such a contract. Notwithstanding the five-year

limitation or the requirements of Part 6, a task order contract for advisory and assistance services may be extended on a sole-source basis only once for a period not to exceed six months if the contracting officer or other official designated by the head of the agency determines that—

(i) The award of a follow-on contract is delayed by circumstances that were not reasonably foreseeable at the time the initial contract was entered into; and

(ii) The extension is necessary to ensure continuity of services pending the award of the follow-on contract.

(2) The limitation on ordering period contained in paragraph (c)(1) of this section is not applicable to acquisition of supplies or services that includes the acquisition of advisory and assistance services if the contracting officer or other official designated by the head of the agency determines that the advisory and assistance services are necessarily incident to, and not a significant component of, the contract.

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#### 16.506 Solicitation provisions and contract clauses.

#### ~~16.505 Contract clauses.~~

<i>FAR as of FAC 90-25</i>	<i>FAR as revised</i>
<p>*****</p> <p>(b) The contracting officer shall insert a clause substantially the same as the clause at 52.216-19, <del>Delivery-Order</del> Limitations, in solicitations and contracts when a definite-quantity contract, a requirements contract, or an indefinite-quantity contract is contemplated.</p> <p>*****</p> <p>(d) (1) The contracting officer shall insert the clause at 52.216-21, Requirements, in solicitations and contracts when a requirements contract is contemplated.</p> <p>(2) If the contract is for nonpersonal services and related supplies and covers estimated requirements that exceed a specific Government activity's internal capability to produce or perform, the contracting officer shall use the clause with its Alternate I.</p> <p>(3) If the contract includes subsistence for both Government use and resale in the same Schedule, and similar products may be acquired on a brand-name basis, the contracting officer shall use the clause with its Alternate II (but see <del>subparagraph</del> (5) below).</p> <p>(4) If the contract involves a partial small business <del>or labor surplus area</del> set-aside, the contracting officer shall use the clause with its Alternate III (but see subparagraph (5) below).</p> <p>(5) If the contract (i) includes subsistence for both Government use and resale in the same Schedule and similar products may be acquired on a brand-name basis and (ii) involves a partial small business <del>or labor surplus area</del> set-aside, the contracting officer</p>	<p>*****</p> <p>(b) The contracting officer shall insert a clause substantially the same as the clause at 52.216-19, Order Limitations, in solicitations and contracts when a definite-quantity contract, a requirements contract, or an indefinite-quantity contract is contemplated.</p> <p>*****</p> <p>(d) (1) The contracting officer shall insert the clause at 52.216-21, Requirements, in solicitations and contracts when a requirements contract is contemplated.</p> <p>(2) If the contract is for nonpersonal services and related supplies and covers estimated requirements that exceed a specific Government activity's internal capability to produce or perform, the contracting officer shall use the clause with its Alternate I.</p> <p>(3) If the contract includes subsistence for both Government use and resale in the same Schedule, and similar products may be acquired on a brand-name basis, the contracting officer shall use the clause with its Alternate II (but see paragraph <b>(d)</b>(5) of this section).</p> <p>(4) If the contract involves a partial small business set-aside, the contracting officer shall use the clause with its Alternate III (but see subparagraph (5) below). [FAC 90-32]</p> <p>(5) If the contract (i) includes subsistence for both Government use and resale in the same Schedule and similar products may be acquired on a brand-name basis and (ii) involves a partial small business set-aside, the contracting officer shall use the clause</p>

shall use the clause with its Alternate IV.

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with its Alternate IV. [FAC 90-32]

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(f) The contracting officer shall insert the provision at 52.216-27, Single or Multiple Awards, in solicitations for indefinite quantity contracts that may result in multiple contract awards. This provision shall not be used for advisory and assistance services contracts that exceed three years and \$10,000,000 (including all options). Contracting officers may modify the provision to specify the number of awards the Government reasonably estimates that it may make. [FAC 90-33]

(g) In accordance with 16.504(a)(4)(vi), the contracting officer shall insert the provision at 52.216-28, Multiple Awards for Advisory and Assistance Services, in solicitations for task order contracts for advisory and assistance services that exceed three years and \$10,000,000 (including all options) unless a determination has been made under 16.504(c)(2)(i)(A). Contracting officers may modify the provision to specify the number of awards the Government reasonably estimates that it may make. [FAC 90-33]

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## 16.603-2 Application.

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### *FAR as of FAC 90-25*

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(e) The contracting officer shall assign a priority rating to the letter contract if it is appropriate under ~~12.304~~.

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### *FAR as revised*

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(e) The contracting officer shall assign a priority rating to the letter contract if it is appropriate under **11.604**. [FAC 90-32]

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#### 16.603-4 Contract clauses.

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##### *FAR as of FAC 90-25*

\* \* \* \* \*

(b) In addition, the contracting officer shall insert the following clauses in solicitations and contracts when a letter contract is contemplated:

\* \* \* \* \*

(3) The clause at 52.216-25, Contract Definitization, with its paragraph (b) completed in a manner consistent with 16.603-2(c). If the letter contract is being awarded on the basis of price competition, the contracting officer shall use the clause with its Alternate I.

\* \* \* \* \*

##### *FAR as revised*

\* \* \* \* \*

(b) In addition, the contracting officer shall insert the following clauses in solicitations and contracts when a letter contract is contemplated:

\* \* \* \* \*

(3) The clause at 52.216-25, Contract Definitization, with its paragraph (b) completed in a manner consistent with 16.603-2(c). **If, at the time of entering into the letter contract, the contracting officer knows that the definitive contract will be based on adequate price competition or will otherwise meet the criteria of 15.804-1 for not requiring submission of cost or pricing data, the words "and cost or pricing data supporting its proposal" may be deleted from paragraph (a) of the clause.** If the letter contract is being awarded on the basis of price competition, the contracting officer shall use the clause with its Alternate I. [FAC 90-32]

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#### 52.216-2 Economic Price Adjustment—Standard Supplies.

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##### *FAR as of FAC 90-25*

\* \* \* \* \*

##### ECONOMIC PRICE ADJUSTMENT— STANDARD SUPPLIES ~~(APR 1984)~~

(a) The Contractor warrants that the unit price stated in the Schedule for \_\_\_\_\_ [offeror insert *Schedule line item number*] is not in excess of the Contractor's applicable established price in effect on the contract date for like quantities of the same item. The term "unit price" excludes any part of the price directly resulting from requirements for preservation, packaging, or packing beyond standard commercial practice. The term "established price" means a price that (1) is an established catalog or market price for a commercial item sold in substantial quantities to the general public, (2) meets the criteria of subsection 15.804-3 of the Federal Acquisition Regulation (FAR), and (3) is the net price after applying any standard trade discounts offered by the Contractor.

\* \* \* \* \*

(End of clause)

##### *FAR as revised*

\* \* \* \* \*

##### ECONOMIC PRICE ADJUSTMENT— STANDARD SUPPLIES **(OCT 1995)**

(a) The Contractor warrants that the unit price stated in the Schedule for \_\_\_\_\_ [offeror insert *Schedule line item number*] is not in excess of the Contractor's applicable established price in effect on the contract date for like quantities of the same item. The term "unit price" excludes any part of the price directly resulting from requirements for preservation, packaging, or packing beyond standard commercial practice. The term "established price" means a price that (1) is an established catalog or market price for a commercial item sold in substantial quantities to the general public, (2) meets the criteria of subsection 15.804-1 of the Federal Acquisition Regulation (FAR), and (3) is the net price after applying any standard trade discounts offered by the Contractor.

\* \* \* \* \*

(End of clause) [FAC 90-32]

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**52.216-3 Economic Price Adjustment—Semistandard Supplies.**

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*FAR as of FAC 90-25*

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**ECONOMIC PRICE ADJUSTMENT—  
SEMISTANDARD SUPPLIES (~~APR 1984~~)**

(a) The Contractor warrants that the supplies identified as line items \_\_\_\_\_ [*offeror insert Schedule line item number*] in the Schedule are, except for modifications required by the contract specifications, supplies for which it has an established price. The term “established price” means a price that (1) is an established catalog or market price for a commercial item sold in substantial quantities to the general public, (2) meets the criteria of subsection 15.804-3 of the Federal Acquisition Regulation (FAR), and (3) is the net price applying any standard trade discounts offered by the Contractor. The Contractor further warrants that, as of the date of this contract, any difference between the unit prices stated in the contract for these line items and the Contractor’s established prices for like quantities of the nearest commercial equivalents are due to compliance with contract specifications and with any contract requirements for preservation, packaging, and packing beyond standard commercial practice.

\*\*\*\*\*

(End of clause)

*FAR as revised*

\*\*\*\*\*

**ECONOMIC PRICE ADJUSTMENT—  
SEMISTANDARD SUPPLIES (OCT 1995)**

(a) The Contractor warrants that the supplies identified as line items \_\_\_\_\_ [*offeror insert Schedule line item number*] in the Schedule are, except for modifications required by the contract specifications, supplies for which it has an established price. The term “established price” means a price that (1) is an established catalog or market price for a commercial item sold in substantial quantities to the general public, (2) meets the criteria of subsection 15.804-1 of the Federal Acquisition Regulation (FAR), and (3) is the net price applying any standard trade discounts offered by the Contractor. The Contractor further warrants that, as of the date of this contract, any difference between the unit prices stated in the contract for these line items and the Contractor’s established prices for like quantities of the nearest commercial equivalents are due to compliance with contract specifications and with any contract requirements for preservation, packaging, and packing beyond standard commercial practice.

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(End of clause)

[FAC 90-32]

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**52.216-5 Price Redetermination—Prospective.**

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*FAR as of FAC 90-25*

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**PRICE REDETERMINATION—PROSPECTIVE  
(~~APR 1984~~)**

\*\*\*\*\*

(d) *Data submission.* (1) Not more than \_\_\_\_\_ nor less than \_\_\_\_\_ [see Note (2)] days before the end of each redetermination period, except the last, the Contractor shall submit—

(i) \*\*\*\*\*

(A) An estimate and breakdown of the costs of these supplies or services on Standard Form 1411, Contract Pricing Proposal Cover Sheet (or in any other form on which the parties may agree);

\*\*\*\*\*

(End of clause)

*FAR as revised*

\*\*\*\*\*

**PRICE REDETERMINATION—PROSPECTIVE  
(OCT 1995)**

\*\*\*\*\*

(d) *Data submission.* (1) Not more than \_\_\_\_\_ nor less than \_\_\_\_\_ [see Note (2)] days before the end of each redetermination period, except the last, the Contractor shall submit—

(i) \*\*\*\*\*

(A) An estimate and breakdown of the costs of these supplies or services on Standard Form 1411, Contract Pricing Proposal Cover Sheet (**Cost or Pricing Data Required**), or in any other form on which the parties may agree; \*\*\*\*\*

(End of clause) [FAC 90-32]

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**52.216-6 Price Redetermination—Retroactive.**

<i>FAR as of FAC 90-25</i>	<i>FAR as revised</i>
As prescribed in 16.206-4, <del>when contracting by negotiation, insert the following clause in solicitations, and contracts when a fixed-price contract is contemplated and the conditions specified in 16.205-2 and 16.205-3(a) through (d) apply:</del>	As prescribed in 16.206-4, insert the following clause:
PRICE REDETERMINATION—RETROACTIVE <del>(APR 1984)</del>	PRICE REDETERMINATION—RETROACTIVE <b>(OCT 1995)</b>
* * * * *	* * * * *
(c) <i>Data submission.</i> (1) Within . . . . . [Contracting Officer insert number of days] days after delivery of all supplies to be delivered and completion of all services to be performed under this contract, the Contractor shall submit— (i) Proposed prices; (ii) A statement on Standard Form 1411, Con- tract Pricing Proposal Cover Sheet, or in any other form on which the parties agree, of all costs incurred in performing this contract; and * * * * *	(c) <i>Data submission.</i> (1) Within . . . . . [Contracting Officer insert number of days] days after delivery of all supplies to be delivered and completion of all services to be performed under this contract, the Contractor shall submit— (i) Proposed prices; (ii) A statement on Standard Form 1411, Con- tract Pricing Proposal Cover Sheet <b>(Cost or Pricing Data Required)</b> , or in any other form on which the parties may agree, of all costs incurred in performing the contract; and * * * * *
(End of clause)	(End of clause)
	[FAC 90-32]

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**52.216-18 Ordering.**

<i>FAR as of FAC 90-25</i>	<i>FAR as revised</i>
As prescribed in 16.505(a), insert the following clause <del>in solicitations and contracts when a definite- quantity contract, a requirements contract, or an in- definite-quantity contract is contemplated:</del>	As prescribed in 16.506(a), insert the following clause:
ORDERING <del>(APR 1984)</del>	ORDERING <b>(OCT 1995)</b>
(a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders by the individuals or activities desig- nated in the Schedule. Such orders may be issued from . . . . . through . . . . . [insert dates].	(a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders <b>or task orders</b> by the individuals or activities designated in the Schedule. Such orders may be issued from _____ through _____ [insert dates].
(b) All delivery orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order and this contract, the con- tract shall control.	(b) All delivery orders <b>or task orders</b> are subject to the terms and conditions of this contract. In the event of conflict between a delivery order <b>or task order</b> and this contract, the contract shall control.

(c) If mailed, a delivery order is considered "issued" when the Government deposits the order in the mail. Orders may be issued orally ~~or by written telecommunications~~ only if authorized in the Schedule.

(End of clause)

(c) If mailed, a delivery order **or task order** is considered "issued" when the Government deposits the order in the mail. Orders may be issued orally, **by facsimile, or by electronic commerce methods** only if authorized in the Schedule.

(End of clause) [FAC 90-33]

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## 52.216-19 Order Limitations.

### 52.216-19 ~~Delivery-Order Limitations.~~

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#### *FAR as of FAC 90-25*

As prescribed in 16.505(b), insert a clause substantially the same as follows ~~in solicitations and contracts when a definite-quantity contract, a requirements contract, or an indefinite-quantity contract is contemplated:~~  
DELIVERY-ORDER LIMITATIONS (APR-1984)

\* \* \* \* \*

(End of clause)

~~(R 7-1102.1(a) 1965 AUG)~~

~~(R 7-1102.2(a))~~

~~(R 7-1102.3(a))~~

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#### *FAR as revised*

As prescribed in 16.506(b), insert a clause substantially the same as follows:

#### ORDER LIMITATIONS (OCT 1995)

\* \* \* \* \*

(End of clause)

[FAC 90-33]

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## 52.216-20 Definite Quantity.

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#### *FAR as of FAC 90-25*

As prescribed in 16.505(c), insert the following clause ~~in solicitations and contracts when a definite-quantity contract is contemplated:~~

#### DEFINITE QUANTITY (APR-1984)

\* \* \* \* \*

(c) Except for any limitations on quantities in the ~~Delivery-Order Limitations~~ clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

\* \* \* \* \*

(End of clause)

~~(R 7-1102.1(b) 1965 AUG)~~

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#### *FAR as revised*

As prescribed in 16.506(c), insert the following clause:

#### DEFINITE QUANTITY (OCT 1995)

\* \* \* \* \*

(c) Except for any limitations on quantities in the Order Limitations clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations. [FAC 90-33]

\* \* \* \* \*

(End of clause)

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**52.216-21 Requirements.**

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*FAR as of FAC 90-25*

As prescribed in 16.505(d), insert the following clause ~~in solicitations and contracts when a requirements contract is contemplated:~~

**REQUIREMENTS (APR 1984)**

\* \* \* \* \*

(b) Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. Subject to any limitations in the ~~Delivery-Order~~ Limitations clause or elsewhere in this contract, the Contractor shall furnish to the Government all supplies or services specified in the Schedule and called for by orders issued in accordance with the Ordering clause. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

\* \* \* \* \*

*Alternate III (APR 1984).* If the requirements contract involves a partial small business ~~or labor surplus area~~ set-aside, substitute the following paragraph (c) for paragraph (c) of the basic clause: (c) The Government's requirements for each item or subitem of supplies or services described in the Schedule are being purchased through one non-set-aside contract and one set-aside contract. Therefore, the Government shall order from each Contractor approximately one-half of the total supplies or services specified in the Schedule that are required to be purchased by the specified Government activity or activities. The Government may choose between the set-aside Contractor and the non-set-aside Contractor in placing any particular order. However, the Government shall allocate successive orders, in accordance with its delivery requirements, to maintain as close a ratio as is reasonably practicable between the total quantities ordered from the two Contractors. ~~(R 7-1102.2(b)(4) 1966 OCT)~~

*Alternate IV (APR 1984).* If the contract includes subsistence for both Government use and resale in the same Schedule and similar products may be acquired on a brand—name basis and the contract also involves a partial small business ~~or labor surplus area~~ set-aside, substitute the following paragraph (c) for paragraph (c) of the basic clause and add the following paragraph (g) to the basic clause:

\* \* \* \* \*

~~(R 7-1102.2(b) 1966 OCT)~~

*FAR as revised*

As prescribed in 16.506(d), insert the following clause:

**REQUIREMENTS (OCT 1995)**

\* \* \* \* \*

[FAC 90-32 & 33]

(b) Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. Subject to any limitations in the Order Limitations clause or elsewhere in this contract, the Contractor shall furnish to the Government all supplies or services specified in the Schedule and called for by orders issued in accordance with the Ordering clause. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations. [FAC 90-33]

\* \* \* \* \*

*Alternate III (OCT 1995).* If the requirements contract involves a partial small business set-aside, substitute the following paragraph (c) for paragraph (c) of the basic clause: (c) The Government's requirements for each item or subitem of supplies or services described in the Schedule are being purchased through one non-set-aside contract and one set-aside contract. Therefore, the Government shall order from each Contractor approximately one-half of the total supplies or services specified in the Schedule that are required to be purchased by the specified Government activity or activities. The Government may choose between the set-aside Contractor and the non-set-aside Contractor in placing any particular order. However, the Government shall allocate successive orders, in accordance with its delivery requirements, to maintain as close a ratio as is reasonably practicable between the total quantities ordered from the two Contractors.

[FAC 90-32 & 33]

*Alternate IV (OCT 1995).* If the contract includes subsistence for both Government use and resale in the same Schedule and similar products may be acquired on a brand—name basis and the contract also involves a partial small business set-aside, substitute the following paragraph (c) for paragraph (c) of the basic clause and add the following paragraph (g) to the basic clause:

\* \* \* \* \*

[FAC 90-32 & 33]



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**52.216-22 Indefinite Quantity.**

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*FAR as of FAC 90-25*

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As prescribed in 16.505(e), insert the following clause ~~in solicitations and contracts when an indefinite-quantity contract is contemplated:~~

**INDEFINITE QUANTITY (APR 1984)**

\* \* \* \* \*

(c) Except for any limitations on quantities in the ~~Delivery-Order~~ Limitations clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

\* \* \* \* \*

(End of clause)

~~(R 7-1102.3(b) 1965 AUG)~~

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*FAR as revised*

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As prescribed in 16.506(e), insert the following clause:

**INDEFINITE QUANTITY (OCT 1995)**

\* \* \* \* \*

(c) Except for any limitations on quantities in the Order Limitations clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations. [FAC 90-33]

\* \* \* \* \*

(End of clause)

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**52.216-25 Contract Definitization.**

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*FAR as of FAC 90-25*

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As prescribed in 16.603-4(b)(3), insert the following clause ~~in solicitations and contracts when a letter contract is contemplated. If, at the time of entering into the letter contract, the Contracting Officer knows that the definitive contract will be based on adequate price competition or will otherwise meet the criteria of 15.804-3 for not requiring submission of cost or pricing data, the words “and cost or pricing data” may be deleted from paragraph (a) of the clause.~~

**CONTRACT DEFINITIZATION (APR 1984)**

\* \* \* \* \*

(End of clause)

~~(R 7-802.5(a) 1969 DEC)~~

*Alternate I (APR 1984).* \* \* \* \* \*  
~~(R 7-802.5(b) 1969 DEC)~~

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*FAR as revised*

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As prescribed in 16.603-4(b)(3), insert the following clause:

**CONTRACT DEFINITIZATION (APR 1984)**

\* \* \* \* \*

(End of clause)

*Alternate I (APR 1984).* \* \* \* \* \*  
[FAC 90-32]

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**52.216-27 Single or Multiple Awards. [FAC 90-33]**

**As prescribed in 16.506(f), insert the following provision:**

**SINGLE OR MULTIPLE AWARDS (OCT 1995)**

**The Government may elect to award a single delivery order contract or task order contract or to award multiple delivery order contracts or task order contracts for the same or similar supplies or services to two or more sources under this solicitation.**

**(End of provision)**

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**52.216-28 Multiple Awards for Advisory and Assistance Services. [FAC 90-33]**

**As prescribed in 16.506(g), insert the following provision:**

**MULTIPLE AWARDS FOR ADVISORY AND ASSISTANCE SERVICES  
(OCT 1995)**

**The Government intends to award multiple contracts for the same or similar advisory and assistance services to two or more sources under this solicitation unless the Government determines, after evaluation of offers, that only one offeror is capable of providing the services at the level of quality required.**

**(End of provision)**